United Nations E/CN.17/IFF/1999/5

Economic and Social Council

Distr.: General
12 February 1999

Original: English

Commission on Sustainable Development
Intergovernmental Forum on Forests
Third session
Geneva, 3–14 May 1999

Programme element II.b

Matters left pending and other issues arising from the programme elements of the Intergovernmental Panel on Forests process

Trade and environment

Note by the Secretariat

1. The present note provides an update for further deliberations on programme element II.b of the programme of work of the Intergovernmental Forum on Forests (IFF).

2. Programme element II.b was defined by the Forum at its first session as follows:

> "*Consider matters left pending on trade and environment*. Analyse the mutually supportive roles performed by international trade and sustainable forest management and, in that context, issues related to non-discriminatory international trade in forest products from all types of forests, including the role that tariff and non-tariff barriers perform in relation to sustainable forest management, certification issues where relevant and improved market access, taking into account the needs of developing countries, in particular those of the least developed among them. Consider the question of the relationship between obligations under international agreements and national measures, including actions imposed by subnational jurisdictions, recognizing that those matters are also considered in forums whose primary competence is to address trade issues; the relative competitiveness of wood versus substitutes; valuation; and market transparency and the related issue of illegal trade in wood and non-wood forest products" (see E/CN.17/IFF/1997/4, para.7, category II (b)).

3. Some of the above-mentioned issues, such as market access, competitiveness, certification and labelling, full-cost internalization and market transparency, were the initial focus of the deliberations on trade and environment discussions during the second and third sessions of the Intergovernmental Panel on Forests (IPF). Additional issues recognized by

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IFF at its first session include the analysis of trade and sustainable forest management, non-discriminatory international trade, the relationship between obligations under international agreements and national measures, and illegal trade in wood and non-wood forest products.

4. The present note provides the basis for further deliberations by IFF on programme element II.b based on the outcome of the substantive discussion of this programme element at the second session of IFF, held at Geneva from 24 August to 4 September 1998 (see E/CN.17/IFF/1998/14, sect. II.B).

5. The trade and environment issues included in the mandate of IFF are very wide-ranging. Substantive discussion on matters left pending from the IPF process concerning trade and environment did not lead to a consensus by the end of the second session of IFF. The Forum therefore decided to continue the discussion on programme element II.b at its third session.

6. The Forum may wish to revisit this programme element, and to seek to remove the brackets contained in section II.B of the report on the second session (E/CN.17/IFF/1998/14).